

आयकर अपीलीय अधिकरण, जयपुर न्यायपीठ, जयपुर  
IN THE INCOME TAX APPELLATE TRIBUNAL, JAIPUR BENCHES, JAIPUR

श्री विजय पाल राव, न्यायिक सदस्य एवं श्री विक्रम सिंह यादव, लेखा सदस्य के समक्ष  
BEFORE: SHRI VIJAY PAL RAO, JM & SHRI VIKRAM SINGH YADAV, AM

आयकर अपील सं./ITA No. 734/JP/2018  
निर्धारण वर्ष/Assessment Year : 2013-14.

The DCIT Circle-5, Jaipur.	बनाम Vs.	M/s. Shree Balaji Enterprises, 3 KA 22, Jawahar Nagar, Jaipur.
स्थायी लेखा सं./जीआईआर सं./PAN No.: ABEFS 3243 E		
अपीलार्थी / Appellant		प्रत्यर्थी / Respondent

राजस्व की ओर से / Revenue by : Shri J.C. Kulhari (JCIT)

निर्धारिती की ओर से / Assessee by : Shri P.C. Parwal (C.A.)

सुनवाई की तारीख / Date of Hearing : 02/08/2018

उदघोषणा की तारीख / Date of Pronouncement : 03/08/2018

आदेश / ORDER

PER VIJAY PAL RAO, J.M.

This appeal by the Revenue is directed against the order dated 23.03.2018 of CIT (A)-2, Jaipur, for the assessment year 2013-14. The Revenue has raised the following grounds:-

- " 1) Whether on the facts and in the circumstances of the case, the CIT (A) is justified in restricting the N.P from 15% to 10% which has resulted in determination of income less than the income shown by the assessee in the return.
- 2) The appellant craves its rights to add, amend or alter any of the grounds on or before the hearing."

2. At the time of hearing, the Id. AR of the assessee has raised an objection of maintainability of the appeal of the Revenue due to the tax effect not exceeding Rs. 20 lacs as per the CBDT Circular No. 3 of 2018 dated 11<sup>th</sup> July, 2018. The Id. A/R submitted that in the facts of the present case, tax effect in Revenue's appeal is stated to be Rs. 18.18 lakhs which is below the prescribed limit of Rs 20 lacs.

2.1. The Id. D/R has fairly submitted that the tax effect involved in the Revenue's appeal is less than 20 lacs which is prescribed threshold limit in terms of the CBDT Circular No. 3/2018 dated 11<sup>th</sup> July, 2018 issued in supersession of its earlier Circular No. 21 of 2015 dated 10.12.2015.

3. We have heard the rival contentions and perused the materials available on record. We may clarify that the relief granted by the Id. CIT (A) restricting the net profit from 15% to 10% would not affect the returned income of the assessee and hence the impugned order of the Id. CIT (A) would not have the effect of reducing the returned income. It is observed that the demand/ tax effect in the Revenue's appeal in question is below Rs. 20.00 lacs. Under the powers vested by section. 268A(1) of the I T Act, CBDT has recently issued Circular No. 3/2018 dated 11<sup>th</sup> July, 2018 (F No. 279/Misc. 142/2007-ITJ(Pt) instructing the authorities below that departmental appeal should not be filed before ITAT where the demand/tax effect does not exceed Rs. 20 lacs. The circular is specifically mentioned to be applicable for all pending appeals.

4. Subject to some exceptions, it is further directed by CBDT that all the departmental appeals pending before ITAT where the demand/tax effect is not

exceeding than 20 lacs should be either withdrawn or not pressed by the departmental representatives.

5. The present appeal is not covered by any exceptions mentioned in the said CBDT circular. Since the tax demand in dispute in this departmental appeal is below the limit set out by CBDT for the appeal, the appeal of the assessee is not maintainable in view of CBDT Circular No. 3 of 2018 dated 11.07.2018. Accordingly the appeal of the Department is dismissed as not pressed/withdrawn.

3.0 In the result, the appeal of the Revenue is dismissed.

Order pronounced in the open court on 03/08/2018.

Sd/-

(विक्रम सिंह यादव)  
(VIKRAM SINGH YADAV )  
लेखा सदस्य / Accountant Member

Sd/-

(विजय पाल रॉव )  
(VIJAY PAL RAO)  
न्यायिक सदस्य / Judicial Member

Jaipur

Dated:- 03/08/2018.

Das/

आदेश की प्रतिलिपि अग्रेषित / Copy of the order forwarded to:

1. The Appellant- The DCIT, Circle-5, Jaipur.
2. The Respondent – M/s. Shree Balaji Enterprises, Jaipur.
3. The CIT(A).
4. The CIT,
5. The DR, ITAT, Jaipur
6. Guard File (ITA No. 734/JP/2018)

आदेशानुसार / By order,

सहायक पंजीकार / Assistant. Registrar

